

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

In re:

Case No. 24-47922-tjt

Heritage Collegiate Apparel, Inc. f/k/a
M-Den, Inc., d/b/a The M Den

In Proceedings Under
Chapter 11

Hon. Thomas J. Tucker

Debtor.

_____ /

SUPPLEMENTAL EXHIBIT – NOTICE OF QUALIFIED BIDDERS

The Debtor, by and through its undersigned counsel below, hereby files this Supplemental Exhibit to its *Motion for Entry of an Order (I) Approving Lids Holdings, Inc., or its designated subsidiary as Stalking Horse Bidder, (II) Authorizing the Debtor's Entry Into An Asset Purchase Agreement, (III) Authorizing The Sale of the Debtor's Assets Free and Clear of All Encumbrances, (IV) Approving Certain Bid Procedures, Bid Protections and Deadlines, (V) Scheduling a Sale Hearing, And (VI) Granting Related Relief*[DN 54] (the "Motion"), which was filed August 27, 2024.

Attached as Supplemental Exhibit F is the Notice of Qualified Bidders

(Signature on Next Page)

Respectfully Submitted,

SCHAFER AND WEINER, PLLC

/s/ Howard Borin

KIM K. HILLARY (P67534)

HOWARD M. BORIN (P51959)

Proposed Attorneys for Debtor

40950 Woodward Avenue, Suite 100

Bloomfield Hills, MI 48304

(248) 540-3340

hborin@schaferandweiner.com

September 16, 2024

EXHIBIT F

Notice of Qualified Bidders

Heritage Collegiate Apparel Inc. (the “Debtor”) after consultation with the Committee has determined that there are four Qualified Bidders who timely submitted their bids and deposits (subject to the issues addressed below) who are authorized to participate in the Auction of Debtor’s assets on September 18, 2024.

1. **Lids Holdings, Inc.** Qualified per Bidding Procedure Order.
2. **Cheetah Capital Inc.** Qualified Bid submitted September 13, 2024.

However, the Debtor notes that the redlined APA attached to this bid struck the 60 day extension language from paragraph 3.4(b). The Debtor and the Committee believe that this language should stay in the APA. If Cheetah does not remove the requested language, the Debtor, after consultation with the Committee will take this into account when determining the highest and best offer and announcing the Winning Bidder.

3. **Rally House Stores, Inc.** Conditional Qualified Bid submitted September 11, 2024.

The Bid submitted by Rally House contained a redlined APA, met the minimum bidding requirements and provided that Rally House had the financial wherewithal to complete the transaction. The Debtor and the Committee have determined that the bid *arguably* does not comply the following requirements of the Bid Procedures:

- a. The bid does not state that it is irrevocable in accordance with ¶3(i).

- b. The bid does not state that bidder had the opportunity to conduct due diligence in accordance with ¶3(viii).
- c. The bid does not continue the acknowledgement that bidder is relying on its own investigation, etc. in accordance with ¶3(ix).
- d. The bid does not contain evidence of corporate authorization in accordance with ¶3(xiii).

The Rally House bid qualification is conditioned up Rally House submitting a supplement to its bid on or before 5:00 p.m. Eastern on Monday September 16, 2024. Otherwise, the Debtor, after consultation with the Committee, reserves the right to rescind the conditional qualification.

4. Legends Global Merchandise, LLC. Conditional Qualified Bid submitted September 13, 2024¹.

The Bid submitted by Legends contained a redlined APA and met the minimum bidding requirements. The Debtor and the Committee have determined that the bid *arguably* does not comply the following requirements of the Bid Procedures:

- a. The bid does not state that it is irrevocable in accordance with ¶3(i).
- b. The bid does not state that bidder had the opportunity to conduct due diligence in accordance with ¶3(viii).

¹ The bid remained subject to Legends' client comments until September 14, 2024.

c. The bid does not continue the acknowledgement that bidder is relying on its own investigation, etc. in accordance with ¶3(ix).

d. The bid does not contain evidence of corporate authorization in accordance with ¶3(xiii).

e. The bid contains an outside closing date of October 15, 2024 in violation of ¶3(xii).

e. The bid contemplates entering into a new lease with Debtor's affiliate without closing the entire transaction.

The Legends bid qualification is conditioned up Legends submitting a supplement to its bid on or before 5:00 p.m. Eastern on Monday September 16, 2024. Otherwise, the Debtor, after consultation with the Committee, reserves the right to rescind the conditional qualification.

In addition to the qualification issues, the Legends APA contains several redlined changes to the APA. All of Legends changes to the representation portion of the APA are not acceptable to the Debtor. Legends must agree to remove these changes from its draft APA to be considered the Winning Bidder at the Auction.